

at 43-50. The only basis for NRG's argument is that those claims somehow survive because defendants "misrepresented" or "failed to disclose" to NRG that defendants had already independently developed the technology prior to NRG's disclosure, and thus allegedly prevented NRG from filing its patent application first. See id. NRG's claims fail as a matter of law.

A. Summary Judgment Should Be Entered on NRG's Claim for Breach of Contract.

Summary judgment on NRG's breach of contract claim is proper because the only reasonable interpretation of the unambiguous language in those agreements leads to the conclusion that defendants had no contractual duty to disclose their preexisting independent development to NRG. Analysis of each agreement as a whole reveals that their purpose is only to protect from disclosure or use information of a party that is actually proprietary or confidential from unauthorized use or disclosure. In particular, if a party wishes to disclose proprietary information to the other party, then the agreements provide that the receiving party generally has the duty not to use or disclose that information without the permission of the disclosing party. See Exhibits 13 through 16 at 1-2, ¶¶ 1-5 to Defendants' Motion. However, there are specific exceptions to that duty. Those exceptions include, among others, the circumstances in which the information is already public, or in which the receiving party independently developed the information. Id. at 2, ¶¶ 7, 7(a), 7(c). These exceptions exist for the obvious purpose that there is no legitimate reason for the receiving party to refrain from using or disclosing information that is already known to the public or is known to the receiving party. The agreements thus do not impose an affirmative duty on either party to disclose or discuss any of its technology. See id. at 1-3, ¶¶ 1-5, 7.

NRG's assertion that the agreements contain a duty to disclose technology is meritless. See NRG Response at 45-47. NRG erroneously relies entirely on the preamble paragraph of the agreements and ignores the substantive provisions in those agreements. NRG Response at 45-46. While the prefatory clause relied on by NRG notes the parties' contemplation that each party may disclose certain of its confidential and proprietary information to the other, it does not affirmatively obligate either party to disclose such information. See Exhibits 13 through 16 at 1 to Defendants'

Motion. The respective obligations of the parties are contained in the numbered substantive paragraphs following the language “the parties agree as follows,” not in the prefatory clause relied on by NRG. *Id.* at 2.

NRG incorrectly asserts that, because paragraphs 7 and 7(c) “provide for how the parties deal with the situation where a party has independently developed the technology disclosed by the other party,” defendants’ interpretation renders those provisions “meaningless if there [is] not also a duty to tell the other party of the claimed independent development.” NRG Response at 47. To the contrary, those paragraphs merely acknowledge a party’s right to “use or disclose” information that it has independently developed as it sees fit, regardless of whether the same information has also been disclosed to it by the other party. *Id.* at 2, ¶¶ 7 & 7(c).¹⁸ Thus, those paragraphs do not become “meaningless” under defendant’s interpretation. Instead, they specifically retain the meaning stated in the plain language in the agreements. They continue to guide the receiving party through its obligations, and inform the receiving party that it has no duty to refrain from using or disclosing technology that it has received if the receiving party already has the same technology. However, there is no obligation in the contract that the receiving party notify the disclosing party that it already possessed such information or to otherwise characterize the extent of its preexisting knowledge.

Similarly, NRG erroneously asserts that paragraphs 7 and 7(c) must be “harmonized” with the contract as a whole, including the prefatory clause, and that reading the provisions together leads to the interpretation that “the parties intended that the party receiving confidential information was under a duty to disclose to the other party that they had already developed the same technology.” NRG Response at 46. However, NRG’s interpretation does not harmonize the contract as a whole, but instead seeks to add unstated obligations into the agreements and to which

¹⁸ The agreements contain precisely the same provisions for the situation in which the “Receiving Party” independently develops the alleged proprietary information after the disclosure. Exhibits 13 through 16 at 2-3, ¶¶ 7 & 7(e) to Defendants’ Motion.

the parties have not even agreed. In particular, that interpretation would impose upon the receiving party the duty to disclose information about that party's independent development, even though no such obligation is set forth in the body of the agreement after the language "the parties agree as follows." In contrast, defendants' interpretation, for the reasons set forth above, is consistent and in harmony with the contract language as a whole.

Moreover, NRG's proffered interpretation leads to ludicrous and unprincipled results. The prefatory clause on which NRG relies refers only generally to "the confidential and proprietary information of the other party." Thus, if that phrase is interpreted to require an affirmative duty of disclosure, it would require defendants and NRG to disclose every piece of such information on any topic anywhere in their companies, regardless of whether it was related to the technology at issue. Similarly, if that prefatory clause must be combined or "harmonized" with each subpart of paragraph 7 in the manner suggested by NRG, it would also require defendants and NRG to disclose to each other every piece of information "known to the trade or public," "possessed by the Receiving Party," or "which is disclosed to the Receiving Party in good faith by a third party," among other things. See Exhibits 13 through 16 at ¶ 7 to Defendants' Motion. Such an interpretation is unprincipled, and therefore cannot be imposed as a matter of law.

Finally, contrary to NRG's argument (NRG Response at 46-47), the "facts and circumstances surrounding the execution of the Confidentiality Agreements" do not support NRG's interpretation. NRG asserts that the agreements must be interpreted to require disclosure of independent development because "one of the primary reasons that NRG approached [defendants] was so that it could find out whether [defendants] or any other service company had already developed the technology." Id. at 47. However, such a construction constitutes legal error because it improperly applies the subjective intent of NRG instead of the contract language. In Sun Oil Co. v. Madeley, 626 S.W.2d 726 (Tex. 1981), the Texas Supreme Court held that "the [contract] alone will be deemed to express the intention of the parties for it is objective, not

subjective intent that controls.” *Id.* at 731 (emphasis added). Similarly, the court held that it is error to “consider the parties’ interpretation” of an agreement unless the “contract is first found to be ambiguous” because “[w]here the meaning of the contract is plain and unambiguous, a party’s construction is immaterial.” *Id.* at 732. Accordingly, NRG’s intent and construction concerning the agreement should not be considered.

B. Summary Judgment Should Be Entered on NRG’s Fraud Claim.

Summary judgment must be entered on NRG’s fraud claim because no liability for fraud can arise under the circumstances alleged by NRG as a matter of law. Confronted with unassailable evidence of defendants’ independent development of the technology at issue in this case, NRG erroneously claims that its fraud claim still survives because defendants allegedly fraudulently “misrepresented that [they] had not independently developed the same Technology that NRG disclosed to” them. NRG Response at 47.

NRG’s amended claim is nonetheless deficient. An essential element of any fraud claim is that the plaintiff rely on the misrepresentation “to its detriment.” Kansa Reinsurance Co. v. Congressional Mortgage Corp., 20 F.3d 1362, 1375 (5th Cir. 1994) (applying Texas law). That element is missing in this case as a matter of law.

NRG was not detrimentally affected by the alleged misrepresentation for two reasons. First, defendants took nothing from NRG as a result of the alleged misrepresentation, and NRG suffered no detriment. As set forth above, it is undisputed that defendants had already independently developed the information, and thus there was no information for defendants to take from NRG when defendants filed for their patents.

Next, NRG incorrectly claims that it suffered because defendants were able to file for their patent before NRG. NRG Response at 47-48. However, NRG does not, because it cannot, show that its delayed filing is a “detriment.” NRG admittedly filed for and received a patent on its technology. The same result would have been obtained if NRG had filed its patent application first: NRG would have received a patent. NRG therefore received precisely what it would have without

any alleged misrepresentation by defendants and suffered no legal detriment. NRG asserts only that “one does not have to be a patent attorney to know the obvious that it is better to file and obtain a patent first than second” (NRG Response at 47-48), but NRG provides no reason why one circumstance is necessarily better than the other because there is none.

Similarly, NRG cannot avoid summary judgment by arguing that it suffered a detriment because defendants’ “earlier filed patent has clouded NRG’s patent to such an extent that it was worth just a fraction of what [NRG’s patent] would have been worth” if NRG had filed its patent application first, and that otherwise NRG “would have obtained a much higher fee for the Technology.” NRG Response at 48. NRG cites only the affidavit of Bert F. Scales to support this assertion. *Id.* However, the statement in Mr. Scales’ affidavit in this regard is not credible or competent summary judgment evidence. Mr. Scales merely makes the same conclusory statement and subjective argument set forth in NRG’s response, and Mr. Scales provides no factual support for his conclusion. *See* Exhibit F at ¶ 7 to NRG Response. It is well established that “[c]onclusory affidavits are not enough to raise fact issues” and that “[a]ffidavits containing conclusory statements unsupported by facts are not competent summary judgment proof.” *Ryland*, 924 S.W.2d at 122; *Aldridge v. De Los Santos*, 878 S.W.2d 288, 296 (Tex. App.—Corpus Christi 1994, writ dismissed w.o.j.).

In addition, NRG suffered no detriment from any misrepresentation of defendants because the uncontroverted evidence shows that any delay in NRG’s filing for its patent was caused by NRG rather than reliance on defendants. NRG’s lack of reliance is evident from its own statement of facts and from the testimony of its own witnesses. As noted in NRG’s statement of facts, defendants filed for their patent on August 7, 1992, while NRG filed on September 10, 1992. NRG Response at 28. However, the inventor on NRG’s patent, Mr. Graham, admitted:

Shortly after the April 27, 1992 meeting [with defendants], NRG decided that it did not want to wait any longer for [defendants] to make up [their] mind about a joint patent. On May 4, 1992, Bert Scales and I met with a patent lawyer to start the process of patenting NRG’s technology. During the next several months, I worked

with the patent lawyer in preparing several patent applications[, including the patent at issue].

Exhibit A at 11, ¶ 30, to NRG's Response. Thus, as of the end of April of 1992, over three months before defendants filed for their patent, NRG "gave up" on any prospect that it would jointly patent the invention with defendants, and began the patent application process on its own. Although NRG now claims that, had it known about defendants' independent development, "NRG would have filed its patent application in January 1992" (NRG Response at 48; see id. at 24, 28, 31), NRG still had many months to file its application between the end of April 1992 and August 7, 1992 and, had NRG done so, its application would have been filed before defendants' application. Consequently, any supposed detriment that NRG suffered from filing its patent application after defendants filed their application was not caused by reliance on defendants' alleged misrepresentation, but by NRG's own delay or that of its patent lawyer.¹⁹

Similarly, NRG now claims that it also suffered some form of detriment because, if it had filed its patent application first, "NRG would have approached other [oil and gas] service companies in 1992," like Halliburton and Sperry-Sun, with the NRG technology. NRG Response at 48; see id. at 24, 31. However, it is undisputed that NRG actually approached Halliburton and other oil and gas service companies in 1992. See Deposition of Stephen A. Graham at 48-49, 61-62 (excerpts attached as Exhibit 60). Thus, NRG admittedly suffered no detriment in that regard.

¹⁹ Although not material to defendants' motion, NRG's assertion (based on the affidavit of Bert Scales) that NRG would have filed its patent application in January of 1992 (NRG Response at 24, 28, 31, 48) directly contradicts Mr. Scales' sworn deposition testimony. In his deposition, Mr. Scales testified that, had NRG known that defendants had developed or were even working on such technology, NRG would have abandoned its technology entirely. See Deposition of Bert F. Scales at 236-37 (excerpts attached as Exhibit 61). Similarly, NRG misrepresents that defendants were "in a rush to get the[ir] patent application filed." NRG Response at 45. The testimony that NRG cites provides only that defendants had a number of invention disclosures on multilateral completion technology by the March through May 1992 time frame and ultimately decided to file, and filed, patent applications based on those disclosures. Deposition of James Faltin at 20-23, 36-37. There is no statement about any particular "rush" involved in the filing process. Id.

Because a necessary element of its amended fraud claim is missing, NRG's claim should be dismissed and summary judgment entered for defendants.

C. Summary Judgment Should Be Entered on NRG's Claims for Breach of Fiduciary Duty and Breach of the Duty of Good Faith and Fair Dealing.

Entry of summary judgment on NRG's claims for breach of fiduciary duty and breach of the duty of good faith and fair dealing is likewise appropriate. Although there is no fiduciary duty in this case in any event for the reasons stated in defendants' initial motions for summary judgment on that claim, any even arguable fiduciary duty that could apply did not impose a duty on defendants to affirmatively disclose or make representations concerning their independent development of the technology.

Even assuming for the sake of argument that a "confidential or fiduciary relationship" existed between NRG and defendants, the "duties" arising from that relationship are not as extensive as NRG suggests. NRG erroneously argues that the duty imposed on defendants by virtue of their agreement and relationship with NRG included a duty to "fully disclose all material information." NRG Response at 48. To the contrary, even the cases NRG cites in support of its argument that a confidential relationship existed preclude such an argument.

For example, in Hyde Corp. v. Huffines, 314 S.W.2d 763 (Tex. 1958), the case NRG calls the "seminal Texas case on the duty created in connection with the disclosure of trade secrets" (NRG Response at 53), the court discusses only "a duty not to disclose the secret or to use it adversely." Hyde, 314 S.W.2d at 770. The court finds no affirmative duties of disclosure. Id. Likewise, Brown v. Fowler, 316 S.W.2d 111 (Tex. Civ. App.—Ft. Worth 1958, writ ref'd n.r.e.), the second case relied upon by NRG (NRG Response at 55), refers only to a duty of the defendants not "to apply the secret to their own use." Brown, 316 S.W.2d at 114. Finally, the last case on which NRG relies, Avera v. Clark Moulding, 791 S.W.2d 144 (Tex. App.—Dallas 1990, no writ), the case NRG terms "virtually identical to NRG's case" (NRG Response at 56), refers only to a duty not to use the trade secret without permission. Avera, 791 S.W.2d at 146. None of the cases

finds or implies any affirmative duty of disclosure on the part of the receiving party. NRG admits this fact, stating that “[t]he duty of full disclosure is not specifically addressed in th[ose] three cases simply because . . . there was no issue in any of the cases concerning disclosure.” NRG Response at 49.

NRG cites no case concerning disclosure of trade secrets to support the existence of its claimed duty. Tellingly, the first two cases cited by NRG in support of the supposed “duty to disclose all material information” (NRG Response at 48) are cases in which a very different type of relationship existed and therefore imposed an affirmative duty of disclosure. See Murphy v. Seabridge, Ltd., 868 S.W.2d 929, 935 (Tex. App.—Houston[14th Dist.] 1994, writ denied) (partner’s fiduciary duty to partnership); NRC, Inc. v. Huddleston, 886 S.W.2d 526, 530 (Tex. App.—Austin 1994, no writ) (escrow agent’s fiduciary duty to builder). Thus, those cases are inapplicable because the relationships involved are obviously not even vaguely the same as the relationship in this case. All fiduciary or confidential relationships are not equal, and the concomitant duties they impose are not coextensive.

Indeed, Murphy and NRC do not stand for the proposition that there is an affirmative duty to disclose material information in all fiduciary relationships. Those cases do not even discuss whether a fiduciary duty can arise from the disclosure of a trade secret (as in this case), let alone do they purport to describe the scope of the duties that apply in such a circumstance. See Murphy, 868 S.W.2d at 935; NRC, 886 S.W.2d at 530.

Similarly, the only other cases cited by NRG (see NRG Response at 49) also do not support the existence of such a duty in a case concerning disclosure of trade secrets. Those cases do not involve a confidential or fiduciary relationship at all, let alone any such relationship based on disclosure of trade secrets. The holding in each of those cases is merely that the only possible way that an affirmative duty to disclose could ever exist is if there is a “confidential or fiduciary duty,” but that none exists in the facts of those cases. The analysis goes no further, and thus does not purport to comment on the applicability of any such duty in any particular circumstance. See City

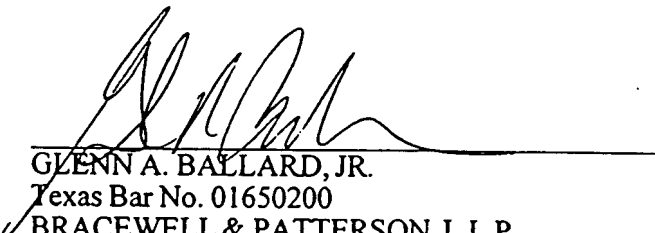
of Houston v. McDonald, 946 S.W.2d 419, 421 n.2 (Tex. App.—Houston [14th Dist.] 1997, n.w.h.); Palm Harbor Homes, Inc. v. McCoy, 944 S.W.2d 716, 722 (Tex. App.—Fort Worth 1997, n.w.h.); Emerald Texas, Inc. v. Peel, 920 S.W.2d 398, 403 (Tex. App.—Houston [1st Dist.] 1996, no writ); Casa El Sol-Acapulco, S.A. v. Fontenot, 919 S.W.2d 709, 718 (Tex. App.—Houston [14th Dist.] 1996, writ dismissed by agreement).

Summary judgment on NRG's claim for breach of the duty of good faith and fair dealing is entirely dependent on its fiduciary duty claim. NRG asserts and alleges that such a claim survives only if defendants owed a fiduciary duty to NRG. See NRG Response at 46 (citing in support of its claim only case law that "a fiduciary duty encompasses at the very minimum a duty of good faith and fair dealing"); Plaintiff's Second Original Amended Petition at 13, ¶ 49 ("defendants owed to NRG a duty of good faith and fair dealing" only "[b]y virtue of the special relationship of trust and confidence between NRG and . . . defendants" alleged in the claim for breach of fiduciary duty). Because, as demonstrated above and in defendants' initial motions, NRG's fiduciary duty claim is fatally defective, NRG's claim for breach of the duty of good faith and fair dealing must fail as well.

CONCLUSION

NRG has failed to raise any material issue of disputed fact that defendants independently developed the information claimed in defendants' patents. Accordingly, this Court should grant defendants' motion for summary judgment, and dismiss NRG's Second Amended Original Petition with prejudice.

DATED this 3rd day of December, 1997.



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Attorneys for Defendants

CERTIFICATE OF SERVICE

I certify that on this 3rd day of December, 1997, I caused to be sent by facsimile and certified mail, return receipt requested, a correct copy of the above **DEFENDANTS' REPLY MEMORANDUM IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT ON ALL CLAIMS BASED ON INDEPENDENT DEVELOPMENT OF INFORMATION CONTAINED IN BAKER HUGHES' PATENTS** to opposing counsel of record in this lawsuit.



GLENN A. BALLARD, JR.

6

FRIDAY
DECEMBER, 1991

DECEMBER 1991

25 Days Left

NOVEMBER 1991							DECEMBER 1991							JANUARY 1992						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
							1	2	3	4	5	6	7	1	2	3	4			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	22	23	24	25	26	27	28	12	13	14	15	16	17	18
29	30	31					29	30	31					19	20	21	22	23	24	25
														26	27	28	29	30	31	

TO BE DONE TODAY (ACTION LIST)

LGOS SHORT RADIOS
PROJECT w/ KLF
2-3 mos

BONUS OBSERVING

APPOINTMENTS & SCHEDULED EVE

HOURS	NAME	PLACE
7 0700		
8 0800		
9 0900		
10 1000		
11 1100		
12 1200		
1 1300		
2 1400		
3 1500		
4 1600		
5 1700		
6 1800		
7 1900		
8 2000		
9 2100		
10 2200		

PHONE CALLS

EXPENSE & REIMBURSEMENT RECOR

PLAINTIFF'S
EXHIBIT

109

3/7/97

DIARY AND WORK RECORD

340th Day

DECEMBER. 1991

[illegible]

• Comments Exchanged
• Journal Entry
• Thoughts & etc
• Agenda (Date)
• Conversations

DECEMBER 1991

DAILY RECORD OF EVENTS

6

FRIDAY

34th Day 26 Left
Week 40

EC X was fairly.

8:30. Sharon - IAN. Spears Mtg.

~~Concatted
E. T. in
to sit in
me.~~

Cameron 1:30 - Computers for multiples

~~Return to
Houston from
Baker's field
7:30 PM.~~

97-119

DSD

COPY

CAUSE NO. 96-31380

NATURAL RESERVES	)	IN THE DISTRICT COURT OF
GROUP, INC.)	
VS.	)	HARRIS COUNTY, T E X A S
BAKER HUGHES,)	
INCORPORATED, ET AL	)	333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

DANIEL STEPHEN BANGERT

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-9630

1 prior to January 7, 1992?

2 A. Tim Probert, the president.

3 Q. Okay. Anybody else?

4 A. Not that I can recall specifically.

5 Q. Does the name Grahame Newton mean anything
6 to you?

7 A. No, it doesn't.

8 Q. Okay. Greg Price?

9 A. No.

10 Q. Okay. So your best recollection is you'd
11 never heard of NRG prior to the meeting?

12 A. I had never heard of NRG in -- I don't
13 think it was -- in fact, I know there was no
14 mention of it at that meeting.

15 Q. Okay. That wasn't quite my question, but
16 I'll accept your answer.

17 When is the first time you heard of NRG?

18 A. Probably last summer.

19 Q. Okay. Prior to going to this meeting of
20 January 7, 1992, what -- what design work or
21 thought had you given, if any, to multilateral
22 completion technology?

23 A. I don't recall of any.

24 Q. Okay. Had you ever -- strike that.

25 Had you discussed the technical aspects of

1 multilateral completion technology with anyone
2 prior to the meeting?

3 A. I don't recall.

4 Q. You don't recall doing it?

5 A. I don't recall doing it.

6 Q. Okay. Had you reviewed the work of anyone
7 else at Baker Hughes with respect to multilateral
8 completion technology prior to the meeting?

9 A. No.

10 Q. Okay. So once again, turning to the
11 meeting, at some point I understand you advanced
12 your idea?

13 A. That's correct.

14 Q. Were you the first one to advance an idea
15 at the meeting?

16 A. I don't remember.

17 Q. Okay. And what was your idea?

18 A. My idea was a means of creating an opening
19 in a vertical or horizontal wellbore and installing
20 a lateral conduit or liner in that wellbore,
21 cementing -- cementing the junction up to provide
22 a pressure barrier between the two in the event
23 there's a -- there's a reservoir in that area of
24 the junction that's nonproductive --

25 Q. And --

1 idea, that suggested your idea to you?

2 A. I have no idea. I don't think so.

3 Q. Okay.

4 A. Otherwise, there would have been other
5 people listed on my disclosure.

6 Q. So your best recollection is you were the
7 only one at this meeting to think of this concept?

8 A. Of that concept, that's correct.

9 Q. And did you describe your concept to the
10 other people at the meeting?

11 A. I would imagine I did, yes. I don't
12 recall the specifics of that descriptive review of
13 the idea.

14 Q. Well, do you recall what words you used to
15 describe your concept?

16 A. No, I don't.

17 Q. Others have said that you did a sketch at
18 that meeting to depict the concept. Do you
19 remember doing such a sketch?

20 A. I have no recollection of getting up in
21 front of the group and making a sketch on a
22 whiteboard or a flip chart or anything of that
23 nature.

24 Q. No memory at all of doing that?

25 A. No, I don't. That was a fairly routine

1 thing in my life, so I did lots of stuff like
2 that.

3 Q. Do you have any recollection of, after the
4 meeting was over, taking such a sketch with you and
5 doing something with it?

6 A. No, I don't.

7 Q. Other than the sketches attached to your
8 invention disclosure, employee invention disclosure
9 form, do you have any other sketches of the concept
10 from the January 7 meeting?

11 A. No, I don't.

12 Q. Do you know if any other people at the
13 meeting made a sketch of your idea?

14 A. No, I don't.

15 Q. Is it fair to say, then, that you've never
16 seen a sketch of the concept we're talking about
17 that was done at the January 7 meeting?

18 MR. BALLARD: Object. Calls for
19 speculation. He said he couldn't recall.
20 You can -- and also asked and answered.

21 You can try and answer it again.

22 Q. (By Mr. Ford) You can answer. Do you
23 want the question read back?

24 A. You can read it back, if you wish.

25

1 You can try to answer.

2 A. Approximately \$3600.

3 Q. (By Mr. Ford) And will you be submitting
4 a bill to them for additional time?

5 A. Yes, I will.

6 Q. How much will that be, if you know?

7 A. \$1,000 a day plus expenses.

8 Q. Okay. What's the \$1,000 a day based upon?

9 A. It's based upon just the -- the cost of
10 having to put up with all of this aggravation.

11 Q. You think that's what your testimony is
12 worth to Baker Hughes?

13 MR. BALLARD: Objection.

14 Argumentative. Calls --

15 A. I have no idea.

16 MR. BALLARD: Don't even answer
17 that. Calls for speculation. You
18 don't need to answer that.

19 Q. (By Mr. Ford) How did you arrive at the
20 figure of \$1,000 a day?

21 A. That's a typical consultant rate.

22 Q. So you're a consultant to Baker Hughes in
23 this matter?

24 A. That's the typical consultant rate. I
25 don't -- I don't know if I'm a consultant or not.

1 A. No.

2 Q. You weren't a timekeeper, I assume?

3 A. No, I was not.

4 Q. You left your computer behind when you
5 left Baker Hughes, I presume?

6 A. It was Baker's computer.

7 Q. Okay. After your attendance at the
8 meeting you've told us about in January, 1992,
9 what was your next involvement with respect to
10 multilateral completion technology?

11 A. I don't remember.

12 Q. Okay. You've told us about what
13 involvement you had with respect to the patent
14 application, if any?

15 A. Uh-huh.

16 Q. Did you have any further involvement in
17 the development of that technology or any further
18 work on that technology at Baker?

19 A. I don't recall of any subsequent work.

20 Q. Okay. It was -- is it correct to say it
21 was not part of your job at that point?

22 A. That is correct.

23 Q. And you left the company, again, in what
24 month, September or --

25 A. I was off the payroll in September. I

1 Q. (By Mr. Ford) Let me show you what's
2 been marked as Plaintiff's Exhibit 109 for
3 identification, Mr. Bangert, purporting to be a
4 two-page exhibit representing your calendar or
5 appointment book for Friday, December 6th, 1991.
6 Can you identify that document for us, please.

7 A. Yes, I can.

8 Q. Is it what I said it was?

9 A. Yes, it is.

10 Q. Okay. You've got an entry there that's
11 checked. It says -- correct me if I read it
12 wrong -- "Gus, short-radius project."

13 Do you see that?

14 A. Uh-huh.

15 Q. Can you read the rest of it, please.

16 A. "With EC for two to three months."

17 Q. Okay. And what's this referencing?

18 A. This references a need for a completions
19 expert to develop completion equipment scenarios
20 and provide assistance to Eastman Christensen in
21 their short-radius drilling project.

22 Q. They had a short-radius drilling project
23 they were developing in 1991, did they not?

24 A. Yes, they did.

25 Q. Okay. And -- and what was your

1 involvement with respect to that program?

2 A. I was asked to find a candidate who
3 had the ability to go out and assist Eastman
4 Christensen in defining and developing the
5 completion technology side to compliment their
6 drilling technology side.

7 Q. Did you find a candidate?

8 A. I promoted Gus Mullins. He chose not
9 to -- to go on the project. It would have involved
10 relocating to Holland for a period of time --

11 Q. Okay.

12 A. -- as I recall.

13 Q. Did you come up with any alternates --

14 A. No, I did not.

15 Q. -- for the project?

16 Do you know if anyone did get involved
17 from the completion side to help Eastman
18 Christensen with their short-radius project?

19 A. No, I don't.

20 Q. Okay. By that, I guess it's safe to say
21 you did not get involved?

22 A. I did not.

23 Q. Okay.

24

25

1 anything?

2 A. That was probably a reminder to me to try
3 and identify another candidate, I would suspect.

4 Q. Okay.

5 A. And also to formulate a plan, if we could,
6 how the applications engineering group might
7 support their need for completion equipment.

8 Q. Did you find another candidate?

9 A. I don't recall finding one, no.

10 Q. Was anything done in the summer of 1992
11 at -- at Baker Oil Tools to support Eastman's
12 short-radius project?

13 A. Not that I know of.

14 Q. All right. Who, if anyone, at Eastman
15 did you meet in connection with this process of
16 evaluating, support and trying to find candidates?

17 A. I didn't meet anyone. This came down
18 through the chain of command from Eastman to one of
19 the division presidents, I believe. I don't -- Max
20 Lukens or someone, and he disseminated it to the
21 other division presidents and then through that
22 chain of command from Peter Kurton to myself.

23 Q. Spell Kurton.

24 A. K-u-r-t-o-n.

25 Q. Did you talk to anyone on the telephone at

1 THE STATE OF TEXAS
2 COUNTY OF HARRIS
3
4

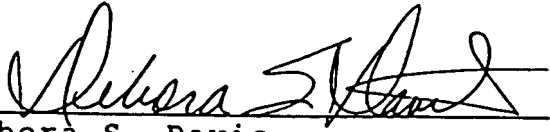
5 REPORTER'S CERTIFICATION
6 TO THE VIDEOTAPED DEPOSITION OF
7 DANIEL STEPHEN BANGERT
8 TAKEN ON MARCH 7, 1997
9

10 I, Debora S. Davis, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify that this deposition transcript is a true
13 record of the testimony given by the witness named
14 herein, after said witness was duly sworn by me.

15 I further certify that I am neither
16 attorney nor counsel for, related to, nor employed
17 by any of the parties to the action in which this
18 testimony was taken. Further, I am not a relative
19 or employee of any attorney of record in this
20 cause, nor do I have a financial interest in the
21 action.

22 Further certification requirements
23 pursuant to the Rules will be certified to after
24 they have occurred.

25 SUBSCRIBED AND SWORN to on this the 17th
day of March, 1997.


Debora S. Davis,
Certified Shorthand Reporter
in and for the State of Texas
Certification No. 2350
Expiration Date 12/31/97

97-115

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CAUSE NO. 96-31380

NATURAL RESERVES) IN THE DISTRICT COURT OF
GROUP, INC.)
VS.) HARRIS COUNTY, T E X A S
BAKER HUGHES,)
INCORPORATED, ET AL) 333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

ROBERT J. McNAIR

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-9630

1 such meeting?

2 A. No, I do not.

3 Q. Do you recall McStravick present at any
4 such meetings?

5 A. I remembered Dave being at some meetings,
6 but I can't remember how many.

7 Q. Do you recall Doug Murray being present at
8 any brainstorming --

9 A. Yes, I do.

10 Q. -- okay -- meetings?

11 And do you recall approximately when that
12 would have been done?

13 A. Shortly after I got there or in early
14 January.

15 Q. How many such meetings do you recall at
16 which Mr. Murray was present?

17 A. I don't remember exactly.

18 Q. Okay. Do you remember Mr. Bangert present
19 at any of these meetings?

20 A. I remember Dan being in meetings where we
21 discussed multilateral ideas, but I don't remember
22 exactly how many meetings.

23 Q. Do you remember any meetings at which
24 Mr. Bangert came up with the concept or an idea for
25 sealing the junction?

1 A. I remember Dan illustrating his ideas to
2 the group about how we might seal the juncture,
3 yes.

4 Q. And when do you remember that?

5 A. It would have been the end of '91 or
6 early -- early '92.

7 Q. Who was present at that meeting or
8 meetings?

9 A. I would think Cameron White, perhaps Mark
10 Hopmann, myself, maybe Brockman.

11 Q. Okay. What do you recall -- do you recall
12 in that regard, Mr. McNair?

13 A. I remember the idea of drilling out --
14 drilling out through the casing and going in with a
15 washover shoe after you set a liner to burn over
16 the liner and have a full open -- open bore.

17 Q. Okay. And when did you see that idea
18 expressed for the first time?

19 A. Shortly after I got to Houston or in
20 early '92. I can't remember exactly.

21 Q. In one of these meetings you've
22 referenced?

23 A. Yes.

24 Q. Was it the first meeting, the second
25 meeting, the third meeting, if you can recall?

- 1 A. I don't recall exactly.
- 2 Q. Okay. And would you please tell us how
- 3 Mr. Bangert expressed this idea in the meeting.
- 4 A. He would draw it on a flip chart or else
- 5 it was on a white marker board, I believe.
- 6 Q. What's a flip chart?
- 7 A. Like a paper -- he would have drawn it on
- 8 paper or -- or it could have been on a drawing. I
- 9 can't remember exactly. Generally we would use
- 10 flip charts if we were on the marketing side, and
- 11 the same thing in engineering.
- 12 Q. A flip chart, if I'm understanding you
- 13 correctly, is perhaps an easel with a big pad of
- 14 large paper, 3 x 5 or something?
- 15 A. Yes. But it -- I can't remember if that
- 16 was what it was illustrated on or whether it was a
- 17 rough sketch on paper. I can't recall.
- 18 Q. Okay. Did you see that particular sketch
- 19 after the meeting you're having reference to?
- 20 A. Yes, I have seen that sketch before.
- 21 Q. The particular sketch I'm referring to.
- 22 A. Well, I don't -- don't know the particular
- 23 drawing -- I know the concept, but I don't know
- 24 exactly which drawing we're referring to.
- 25 Q. Were there any meetings that you attended

1 THE STATE OF TEXAS
2 COUNTY OF HARRIS
3

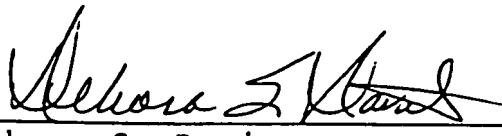
4 REPORTER'S CERTIFICATION
5 TO THE VIDEOTAPED DEPOSITION OF ROBERT J. McNAIR
6 TAKEN ON FEBRUARY 24, 1997
7

8
9 I, Debora S. Davis, Certified Shorthand
10 Reporter in and for the State of Texas, hereby
11 certify that this deposition transcript is a true
12 record of the testimony given by the witness named
13 herein, after said witness was duly sworn by me.

14 I further certify that I am neither
15 attorney nor counsel for, related to, nor employed
16 by any of the parties to the action in which this
17 testimony was taken. Further, I am not a relative
18 or employee of any attorney of record in this
19 cause, nor do I have a financial interest in the
20 action.

21 Further certification requirements
22 pursuant to the Rules will be certified to after
23 they have occurred.

24 SUBSCRIBED AND SWORN to on this the 26th
25 day of February, 1997.

26
27 
28 Debora S. Davis,
29 Certified Shorthand Reporter
30 in and for the State of Texas
31 Certification No. 2350
32 Expiration Date 12/31/97

97-134A

DSD

CAUSE NO. 96-31380

NATURAL RESERVES	)	IN THE DISTRICT COURT OF
GROUP, INC.)	
VS.	)	HARRIS COUNTY, T E X A S
BAKER HUGHES,)	
INCORPORATED, ET AL	)	333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

FREDERICK THOMAS TILTON

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-9630

1 (Whereupon, a brief recess was taken,
2 after which the proceedings continued
3 as follows:)

4
5 THE VIDEOGRAPHER: This begins
6 Tape II to the videotaped deposition of
7 Frederick Thomas Tilton. Today's date is
8 April 22nd, 1997. The time is 11:06.
9 We're back on the record.

10 Q. (By Mr. Detloff) Now, we were looking at
11 Plaintiff's Exhibit 40 that schedules a meeting for
12 January 7, 1992. Do you recall attending a
13 meeting on January 7th, 1992, having to do with
14 multilateral completion technology or a
15 brainstorming session?

16 A. Yes.

17 Q. And if we look at Plaintiff's Exhibit 113,
18 that's your calendar. On the first page here,
19 it -- it appears that that meeting was from 8:30 to
20 10?

21 A. Yes.

22 Q. Is that right?

23 Okay. And on the second page of Exhibit
24 113 is the daily entry for Tuesday the 7th. Can
25 you tell us what it says there under

1 "Multilaterals"?

2 A. Are you talking about the second page?

3 Q. Yes, sir.

4 A. It says, "Distribution conference room."

5 Q. And that has to do with where it was, I
6 guess?

7 A. That was the location.

8 Q. Anything else there that has anything to
9 do with that meeting?

10 A. No.

11 Q. What do you remember about the
12 January 7th, 1992, meeting?

13 A. I don't remember very much. I just
14 remember that -- that this was the subject, and
15 there were a lot of ideas discussed.

16 Q. Looking at Plaintiff's Exhibit 40, which
17 is the list of people invited to attend -- I'm
18 sorry. You have it there in front of you -- does
19 that in any way refresh your recollection about who
20 was there?

21 A. I don't know. I do not remember who was
22 there. I mean, it makes sense that those were
23 probably the people, but I don't remember who
24 was there. I know certainly Cameron was there and
25 Dan were there. Doug Murray I'm sure was there.

1 Q. And that later you did a sketch, a more
2 formal type sketch that you submitted to the patent
3 lawyer. Is that right?

4 A. Right.

5 Q. Do you think from looking at Plaintiff's
6 Exhibit 10 that that more formal sketch that you
7 submitted to the patent lawyer would have been done
8 after you received this memo?

9 MR. BALLARD: Objection. Calls for
10 speculation. He doesn't even remember the
11 memo.

12 But you can try to answer it.

13 A. I don't remember when I did the sketch.

14 Q. (By Mr. Detloff) So it could have been
15 before or after this memo, as far as you can
16 recall?

17 A. I just don't remember.

18 Q. Okay. In the first paragraph it says, "In
19 reviewing Ron Curington's notes from the
20 multilateral brainstorming session on January 7."
21 First of all, do you remember any notes that Ron
22 Curington may have prepared at the January 7th
23 meeting?

24 A. No.

25 Q. Okay. It says here, "I came across two

1 ideas other than Dan's idea for milling the
2 cemented liner off flush."

3 Do you remember Dan Bangert having an idea
4 or presenting an idea for milling the cemented
5 liner off flush at either -- at the January 7th
6 meeting?

7 A. And I just -- as I've told you before, I
8 don't remember the details of that meeting.

9 Q. Okay. What was the policies within Baker
10 Hughes -- or Baker Oil Tools, excuse me, in January
11 1992 concerning documentation of ideas?

12 A. Restate the first part of that.

13 Q. What policies, if any, existed at Baker
14 Oil Tools in January of 1992 for employees to
15 document their ideas?

16 A. I don't know that we had any set policy
17 other than we had to provide some type of sketch
18 and documentation for patent purposes to the
19 attorney establishing, you know, who the inventors
20 were and the dates and everything.

21 Q. Would preparing up the sketches and
22 providing them to the patent attorneys be something
23 that you would try and do as soon as possible after
24 you conceived the idea?

25 MR. BALLARD: Objection.

1 THE STATE OF TEXAS

2 COUNTY OF HARRIS

3
4 REPORTER'S CERTIFICATION

5 TO THE VIDEOTAPED DEPOSITION OF
6 FREDERICK THOMAS TILTON


7 TAKEN ON APRIL 22, 1997
8

9
10 I, Debora S. Davis, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify that this deposition transcript is a true
record of the testimony given by the witness named
herein, after said witness was duly sworn by me.

13 I further certify that I am neither
14 attorney nor counsel for, related to, nor employed
15 by any of the parties to the action in which this
16 testimony was taken. Further, I am not a relative
or employee of any attorney of record in this
cause, nor do I have a financial interest in the
action.

17 Further certification requirements
18 pursuant to the Rules will be certified to after
they have occurred.

19 SUBSCRIBED AND SWORN to on this the 5th
20 day of May, 1997.

21 
22 Debora S. Davis,
23 Certified Shorthand Reporter
24 in and for the State of Texas
25 Certification No. 2350
Expiration Date 12/31/97

97-112

DSD

CAUSE NO. 96-31380

NATURAL RESERVES) IN THE DISTRICT COURT OF
GROUP, INC.)
VS.) HARRIS COUNTY, T E X A S
BAKER HUGHES,)
INCORPORATED, ET AL) 333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

LOUIS CAMERON WHITE

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-9630

1 Q. I'm assuming you attended this meeting of
2 January 7th?

3 A. I did.

4 Q. Did you make notes at that meeting?

5 A. I don't know if I did or not. I have not
6 been able to locate my diary for that period.

7 Q. Okay. Did you see any -- anyone else
8 making notes at that meeting?

9 A. I don't recall anyone making notes.

10 Q. All right. The meeting of January 9 was
11 tape recorded, was it not?

12 A. There was a tape recorder in the room, but
13 from what I understand, nothing really useful came
14 from that tape. It -- the sound quality was too
15 bad.

16 Q. Was the meeting of January 7, 1992, tape
17 recorded?

18 A. Not to my knowledge.

19 Q. Was any official record at Baker Hughes,
20 such as minutes of the meeting, made of that
21 meeting of January 7th?

22 A. Not to my knowledge.

23 Q. Okay. We'll come back to that. If you'd
24 look at this memo, PX 47. The subject is
25 "Retrievable Whipstock Meeting with E.C."

1 THE STATE OF TEXAS
2 COUNTY OF HARRIS
3
4

5 REPORTER'S CERTIFICATION
6 TO THE VIDEOTAPED DEPOSITION OF
7 LOUIS CAMERON WHITE

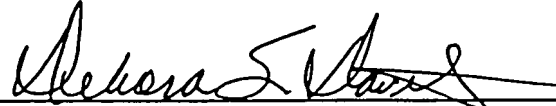
8 TAKEN ON FEBRUARY 19, 1997
9

10 I, Debora S. Davis, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify that this deposition transcript is a true
13 record of the testimony given by the witness named
14 herein, after said witness was duly sworn by me.

15 I further certify that I am neither
16 attorney nor counsel for, related to, nor employed
17 by any of the parties to the action in which this
18 testimony was taken. Further, I am not a relative
19 or employee of any attorney of record in this
20 cause, nor do I have a financial interest in the
21 action.

22 Further certification requirements
23 pursuant to the Rules will be certified to after
24 they have occurred.

25 SUBSCRIBED AND SWORN to on this the 21st
day of February, 1997.

21 
22 Debora S. Davis,
23 Certified Shorthand Reporter
24 in and for the State of Texas
25 Certification No. 2350
Expiration Date 12/31/97

97-135A

DSD

CAUSE NO. 96-31380

NATURAL RESERVES	)	IN THE DISTRICT COURT OF
GROUP, INC.)	
VS.	)	HARRIS COUNTY, T E X A S
BAKER HUGHES,)	
INCORPORATED, ET AL	)	333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

DAVID M. McSTRAVICK

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-9630

1 Q. (By Mr. Ford) Can you?

2 A. I can't relate any specific concepts.

3 Q. All right. PX 40, the second paragraph
4 refers to the "Triple whipstock technique developed
5 and tested by the French (attached sketch)." I'm
6 sorry the sketch is not attached.

7 Do you remember what concept that was?

8 A. I can't be sure, but I assume that was the
9 one Elf -- the Elf concept.

10 Q. Is that -- the Elf template shown
11 somewhere -- I think -- there it is.

12 A. Oh, this, yeah.

13 This is a hand sketch, yes, of the
14 concept.

15 Q. Okay. Is it accurate to also refer to
16 that as a triple whipstock technique?

17 A. I don't know.

18 Q. Okay. This memo refers to a meeting to be
19 held in the distribution conference room on
20 Tuesday, January 7, and I'm referring to PX 40.

21 A. Yes.

22 Q. Did such a meeting occur, to your
23 recollection?

24 A. Yes, it -- as far as I know, it did, yes.

25 Q. Did you attend?

1 A. Yes, I attended a meeting.

2 Q. Who did you attend with?

3 Let me strike that and ask did you -- did
4 Mr. Curington attend that meeting?

5 A. I believe he did.

6 Q. Okay. Who else was there?

7 A. I'm not sure. I'm just not certain.

8 Q. Okay. What happened at the meeting?

9 A. We discussed concepts for multilaterals.

10 Q. Okay. Who said what?

11 A. I don't remember at this time the
12 details.

13 Q. Were any concepts sketched or drawn on
14 blackboards or easel pads or anything like that?

15 A. As I remember, we had more than one
16 meeting in this time frame. I remember sketches
17 being drawn on the blackboards, at least at one of
18 the meetings. I'm not sure if it's this one that's
19 in the memo. But we had a session where we --
20 everyone was given the opportunity to make the
21 presentation of a concept if they had it, and
22 frequently this led to sketches on the board.

23 Q. People would stand up and make sketches on
24 the board. Is that right?

25 A. In -- certainly in some cases, yes.

1 THE STATE OF TEXAS
2 COUNTY OF HARRIS
3

4 REPORTER'S CERTIFICATION
5 TO THE VIDEOTAPED DEPOSITION OF
6 DAVID M. McSTRAVICK

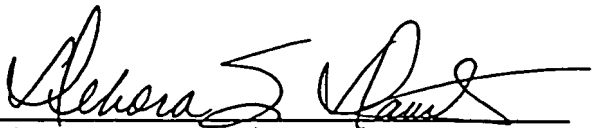
7 TAKEN ON APRIL 23, 1997
8

9
10 I, Debora S. Davis, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify that this deposition transcript is a true
record of the testimony given by the witness named
herein, after said witness was duly sworn by me.

13 I further certify that I am neither
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15 by any of the parties to the action in which this
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or employee of any attorney of record in this
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action.

17 Further certification requirements
18 pursuant to the Rules will be certified to after
they have occurred.

19 SUBSCRIBED AND SWORN to on this the 5th
day of May, 1997.

20
21 
22 Debora S. Davis,
23 Certified Shorthand Reporter
24 in and for the State of Texas
25 Certification No. 2350
Expiration Date 12/31/97

97-118

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CAUSE NO. 96-31380

NATURAL RESERVES)	IN THE DISTRICT COURT OF
GROUP, INC.)	
VS.)	HARRIS COUNTY, T E X A S
BAKER HUGHES,)	
INCORPORATED, ET AL	)	333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

ALFRED RONALD CURINGTON

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-9630

1 multilateral completions?

2 A. Yes.

3 Q. When did you begin doing that?

4 A. I don't remember specifically. It was
5 when I was working with McStravick.

6 Q. What did you do in that regard?

7 A. What did I do?

8 Q. Yes, with regard to multilateral
9 completion technology.

10 A. We had some brainstorming meetings.

11 Q. All right. When were those?

12 A. In -- during the time that I was working
13 with McStravick. Specifically within that period
14 of time, I don't remember.

15 Q. Have you reviewed any documents to refresh
16 your memory before you came in today?

17 A. Yes.

18 Q. What have you reviewed?

19 A. A memo that I wrote following one of the
20 meetings --

21 Q. Okay.

22 A. -- which outlined ideas that were brought
23 up in one of the meetings. Really that's all.

24 Q. I'm sorry?

25 A. I say that's really all that I reviewed.

1 Q. Okay. That -- that memo was in January of
2 1992, was it not?

3 A. Yes.

4 Q. All right. In 1991, what, if anything,
5 did you do with respect to multilateral completion
6 technology?

7 A. As I understand it, the -- the first
8 meeting was in '91.

9 Q. All right. When -- when in '91 was the
10 first meeting?

11 A. Early -- early '91.

12 Q. Were you at that meeting?

13 A. Yes.

14 Q. Okay. And where did that meeting take
15 place?

16 A. Baker Oil Tools.

17 Q. And what was done or said at this meeting?

18 A. It was a brainstorming meeting. Various
19 people around the room put ideas that they had
20 either on a chalkboard -- well, a tri-marker board
21 or a paper flip chart.

22 Q. Okay. And what -- what ideas were put up
23 in that fashion?

24 A. Gee, I don't remember all the ideas that
25 were put up. There were quite a few.

1 Q. Do you remember any of them?

2 A. I remember -- yeah, I remember several of
3 them.

4 Q. Which ones do you remember?

5 A. I remember the one -- I remember one that
6 was just a method of running casing out in the --
7 in a deviated hole and cementing around it. The
8 purpose of the -- of the brainstorming was to find
9 a method to seal this joint.

10 Q. Okay. Whose idea was that?

11 A. I'm not sure. I think it was Dan
12 Bangert's, but I would not swear to that. That
13 idea --

14 Q. I understand the colloquial phrase.
15 However, you are under oath.

16 Do you have a recollection of who it was?

17 A. Not really.

18 Q. Now, when -- when did this meeting take
19 place?

20 A. When did it take place?

21 Q. Yes.

22 A. I don't remember the -- the exact time.

23 Q. You think it was in 1991, though?

24 MR. BALLARD: Well, I think he was
25 confused on that.

1 THE STATE OF TEXAS

2 COUNTY OF HARRIS

3
4 REPORTER'S CERTIFICATION

5 TO THE VIDEOTAPED DEPOSITION OF

6 ALFRED RONALD CURINGTON


7 TAKEN ON MARCH 6, 1997

8
9
10 I, Debora S. Davis, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify that this deposition transcript is a true
record of the testimony given by the witness named
herein, after said witness was duly sworn by me.

13 I further certify that I am neither
14 attorney nor counsel for, related to, nor employed
15 by any of the parties to the action in which this
16 testimony was taken. Further, I am not a relative
or employee of any attorney of record in this
cause, nor do I have a financial interest in the
action.

17 Further certification requirements
18 pursuant to the Rules will be certified to after
they have occurred.

19 SUBSCRIBED AND SWORN to on this the 10th
20 day of March, 1997.

21
22 
23 Debora S. Davis,
24 Certified Shorthand Reporter
in and for the State of Texas
25 Certification No. 2350
Expiration Date 12/31/97

97-142A
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CAUSE NO. 96-31380

NATURAL RESERVES) IN THE DISTRICT COURT OF
GROUP, INC.)
VS.) HARRIS COUNTY, T E X A S
BAKER HUGHES,)
INCORPORATED, ET AL) 333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

BILLY RAY NEWMAN

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-9630

1 A. You -- you could understand me to say I
2 did not sit in for the entire session.

3 Q. That's your recollection, that you did
4 not?

5 A. I did not.

6 Q. About how much time did you spend in these
7 meetings?

8 A. I don't know. It could have been -- it
9 could have been 30 minutes; it could have been an
10 hour.

11 Q. Did you do any presentations of ideas
12 yourself at these meetings?

13 A. No, but I discussed and joined in the
14 conversation.

15 Q. Who chaired the meetings that you can
16 recall, if anyone?

17 A. Mr. Bangert.

18 Q. Okay. Did Mr. Bangert present any ideas
19 that you can recall?

20 MR. BALLARD: While he was there?

21 MR. FORD: While he was there at the
22 meetings.

23 A. Not that I remember. I'm sure he --
24 knowing Dan, he entered in the conversation.

25 Q. (By Mr. Ford) Yeah. But I'm talking

1 about whether he stood up at a whiteboard or
2 blackboard and presented his own ideas or concepts
3 at those meetings.

4 A. Not that I recall.

5 Q. These meetings took place in early 1992.
6 Is that the best of your recollection?

7 A. (Witness nods head.)

8 Q. Let me show you what's previously been
9 marked as Plaintiff's Exhibit 40. It's a memo
10 dated January 3, 1992, from Cameron White to a
11 number of people, including yourself, mentioning a
12 meeting to be held January 7, 1992, at the
13 distribution conference room.

14 Do you remember receiving this memo?

15 A. I remember being at this meeting
16 because --

17 Q. Okay.

18 A. -- this is the one where Curington did his
19 concept.

20 Q. Okay.

21 A. Yeah, I -- and I'm sure since I was there,
22 I received the memo.

23 Q. Before you go too far, look also at PX 43,
24 which refers to a meeting on January 9, 1972.

25 MR. SPEIRS: '92.

1 THE STATE OF TEXAS
2 COUNTY OF HARRIS
3

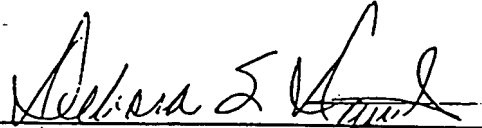
4
5 REPORTER'S CERTIFICATION
6 TO THE VIDEOTAPED DEPOSITION OF
7 BILLY RAY NEWMAN
8 TAKEN ON MAY 8, 1997
9

10 I, Debora S. Davis, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify that this deposition transcript is a true
record of the testimony given by the witness named
herein, after said witness was duly sworn by me.

13 I further certify that I am neither
14 attorney nor counsel for, related to, nor employed
15 by any of the parties to the action in which this
16 testimony was taken. Further, I am not a relative
or employee of any attorney of record in this
cause, nor do I have a financial interest in the
action.

17 Further certification requirements
18 pursuant to the Rules will be certified to after
they have occurred.

19 SUBSCRIBED AND SWORN to on this the _____
20 day of _____, 1997.

21
22 
23 Debora S. Davis,
24 Certified Shorthand Reporter
in and for the State of Texas
25 Certification No. 2350
Expiration Date 12/31/97

97-109B

DSD

CAUSE NO. 96-31380

NATURAL RESERVES	)	IN THE DISTRICT COURT OF
GROUP, INC.)	
VS.	)	HARRIS COUNTY, T E X A S
BAKER HUGHES,)	
INCORPORATED, ET AL	)	333RD JUDICIAL DISTRICT

VIDEOTAPED DEPOSITION OF:

DOUGLAS J. MURRAY

(VOLUME I)

DAVIS & ASSOCIATES REPORTING

1627 NORFOLK STREET
HOUSTON, TEXAS 77006

TEL: (713) 526-3495

FAX: (713) 526-5630

1 Q. You were on it, though?

2 A. Yes.

3 Q. When were you told you were on the team?

4 A. I don't remember being told I was on a
5 specific brainstorm team.

6 Q. Someone thought you were, though,
7 apparently?

8 A. Apparently Ron Curington did.

9 Q. When you came to the meeting, did you
10 understand that you and the other people there were
11 going to form a team or a work force to work on
12 multilateral completions?

13 A. No.

14 Q. What did you understand?

15 A. We were there to generate ideas for how to
16 do the task at hand.

17 Q. "The task at hand" being multilateral
18 completions?

19 A. Being how to seal multilateral
20 completions.

21 Q. Were you at a meeting on January 7, 1992,
22 on the same subject?

23 A. I don't remember the specific meeting,
24 no.

25 Q. January 9 was a Thursday. Does this --

1 does this help you any?

2 A. (Witness shakes head.)

3 Q. No?

4 A. No.

5 Q. So you don't remember a meeting on
6 Tuesday, January 7, on multilateral completions?

7 A. No, I don't.

8 Q. If such a meeting was held, were you --
9 let me rephrase that.

10 You don't remember being at such a meeting
11 on January 7?

12 A. Correct.

13 MR. BALLARD: Mischaracterizes his
14 testimony I think.

15 MR. FORD: Well, let me ask it in the
16 form of a question then.

17 Q. (By Mr. Ford) Do you remember being at a
18 meeting on January 7 with respect to multilateral
19 completions?

20 A. Not specifically, no.

21 Q. Does looking at this memo help you tell us
22 what happened at the meeting on January 9 that you
23 were at?

24 A. I haven't read the whole thing, but --

25 Q. Well, if you'd just go through it and take

1 THE STATE OF TEXAS

2 COUNTY OF HARRIS

3
4 REPORTER'S CERTIFICATION

5 TO THE VIDEOTAPED DEPOSITION OF
6 DOUGLAS J. MURRAY
7 (VOLUME I)


8 TAKEN ON FEBRUARY 12, 1997

9
10 I, Debora S. Davis, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify that this deposition transcript is a true
record of the testimony given by the witness named
herein, after said witness was duly sworn by me.

13 I further certify that I am neither
14 attorney nor counsel for, related to, nor employed
15 by any of the parties to the action in which this
16 testimony was taken. Further, I am not a relative
or employee of any attorney of record in this
cause, nor do I have a financial interest in the
action.

17 Further certification requirements
18 pursuant to the Rules will be certified to after
they have occurred.

19 SUBSCRIBED AND SWORN to on this the 13th
20 day of February, 1997.

21
22 
23 Debora S. Davis,
24 Certified Shorthand Reporter
in and for the State of Texas
25 Certification No. 2350
Expiration Date 12/31/97

PARSONS BEHLE & LATIMER

A Professional Law Corporation

March 21, 1997

Martin P. Detloff
BAYKO GIBSON CARNEGIE HAGAN
SCHOONMAKER & MEYER, L.L.P.
Texas Commerce Tower, 50th Floor
Houston, Texas 77002-2900

Re: Natural Reserves Group, Inc. v. Baker Hughes Inc., et al.

Dear Marty:

Enclosed is a copy of an invoice that we recently received from Dan Bangert summarizing the charges in connection with his travel from Broussard, Louisiana to Houston, Texas to attend his deposition in the above case. Prior to his deposition, you indicated to me that the plaintiff would be willing to split the costs associated with having Mr. Bangert travel to Houston and attend his deposition. Accordingly, please review the invoice, inform me of the amount that plaintiff will pay Mr. Bangert, and send him a check for that amount. Defendants will send Mr. Bangert a check for the remaining amount.

If you have any questions, feel free to contact me.

Sincerely,

PARSONS BEHLE & LATIMER

C. Kevin Speirs

C. Kevin Speirs

CKS:lb

Enclosures

cc: Glenn Ballard (w/o encl)
Matt Carson (w/o encl)

Dan Bangert

156 Beau Coteau Parkway
Broussard, LA 70518

Phone Number
(318) 837-8847

Fax Number
(318) 837-8912

INVOICE

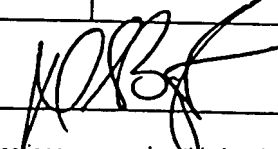
2 997

SOLD TO:

Baker Hughes Inc.
P.O. Box 4740
Houston, TX 77210-4740
Attention: Mr. Mat Carson fax: (713) 439-8043

SHIPPED TO:

INVOICE NUMBER 031097-01
INVOICE DATE 10-Mar-97
OUR ORDER NUMBER na
YOUR ORDER NUMBER verbal
TERMS due upon receipt
SALES REP
SHIPPED VIA na
F.O.B. Broussard, LA
PREPAID or COLLECT

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
2	daily charge for services rendered outside of Lafayette, LA. Thursday, 6 March 97 travel from Lafayette to Houston for meeting with Mat Carson, Glenn Ballard & Kevin Speers to review multiple lateral well junction method conception date, meeting and supporting mtrls Friday, 7 March 97 provide deposition to NRG counsel in Houston concerning multiple lateral well junction sealing method conception date, brainstorming meeting and related mtrls	1,000.00	2,000.00
490	round trip mileage Lafayette to Houston to Lafayette	1.00	490.00
1	Hardy Toll Road fee	1.00	1.00
1	lunch 6 March 97	15.88	15.88
1	dinner 6 March 97	50.02	50.02
1	telephone call to G. Ballard on 6 Mar 97	0.54	0.54
1	overnight lodging & tax at Hyatt Regency in downtown Houston	204.70	204.70
1	car parking fee	15.00	15.00
2	telephone call to G. Ballard on 7 Mar 97	0.54	1.08
	fees for consultations, depositions, testimony, etc., will be \$200/hr with 2 hour minimum in the Lafayette area or \$1000/day (or fraction thereof) plus normal expenses if outside of the Lafayette, Louisiana area.		
		SUBTOTAL	2,778.22
		TAX	
		FREIGHT	
Questions concerning this invoice? Call: (318) 837-8847		MAKE ALL CHECKS PAYABLE TO: Daniel S. Bangert	\$2,778.22 PAY THIS AMOUNT

THANK YOU FOR YOUR BUSINESS!

BAYKO GIBSON CARNEGIE HAGAN SCHOONMAKER & MEYER LLP
TEXAS COMMERCE TOWER, 50TH FLOOR
HOUSTON, TEXAS 77002-2900
TELEPHONE (713) 223-0101
FACSIMILE (713) 223-0042

RECEIVED

APR 07 1997

April 3, 1997

Mr. Daniel S. Bangert
156 Beau Couteau Parkway
Broussard, LA 70518

Re: Cause No. 96-31380; *Natural Reserves Group, Inc. v. Baker Hughes, Incorporated, et al.*; In the 333rd Judicial District of Harris County, Texas

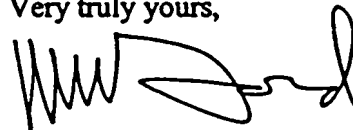
Dear Mr. Bangert:

Enclosed please find a check in the amount of \$253.00 in connection with your recent deposition in this case. The amount is computed as follows:

- A. Half of your mileage charges of \$490.00 for driving from Lafayette, LA to Houston, Texas = \$245;
- B. Half of your Hardy Toll Road fee of \$1.00 = \$.50; and
- C. Half of your car parking fee of \$15.00 = \$7.50.

Please call me if you have any questions with regard to this matter.

Very truly yours,



Michael W. Ford

MWF/tap

cc w/out enc: Glen A. Ballard
C. Kevin Speirs